

REMARKS

Status Summary

In this amendment, no claims are added and no claims are canceled. Therefore, claims 1-50 remain pending.

Claim Rejections - 35 U.S.C. § 103

Claims 1-50 are rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. 2006/0212385 to Bent et al., (hereinafter, "Bent") and U.S. Patent Application Publication No. 2003/0023529 to Jacobsen, (hereinafter, "Jacobsen") in view of "U.S. Patent No. 7,328,179 to Sheehan et al., (hereinafter, "Sheehan"). This rejection is respectfully traversed.

Independent claim 1 has been amended herein to recite that depositor groups and commercial banks register with a control center, that the control center receives contact from the different depositor groups indicating deposit needs of each of the depositor groups, and that the control center aggregates the deposit needs of the depositor groups prior to depositing the funds with the commercial banks. Claim 1 has also been amended to recite that the commercial banks are notified of the stable funds source including the aggregated funds of the plural depositor groups, which are usable by the commercial banks as stable deposits. Support for these amendments is found, for example, on page 13, line 7 – page 14, line 27 of the present specification. Similar amendments have been made to independent claims 14 and 27. Thus, independent claims 1, 14, and 27 recite aggregating funds of plural

different depositor groups prior to the depositing of these funds with commercial banks using a control center with which the depositor groups and the commercial banks register.

There is no disclosure, teaching, or suggestion in Bent, Jacobsen, or Sheehan of aggregating funds of plural different depositor groups prior to the depositing of these funds with commercial banks using a control center with which the depositor groups and the commercial banks register. Rather than aggregating funds to from plural depositor groups prior to deposit of the funds with commercial banks, Bent discloses that funds from individual depositors are deposited upon receipt in accordance with depositor preferences and amounts of the depositor's funds already deposited with particular banks (See paragraphs [0020] and [0021] of Bent.) Thus, because Bent discloses that funds from one depositor are deposited without regard to funds of other depositors, Bent teaches away from a system that aggregates funds from plural different depositor groups as claimed.

Jacobsen likewise teaches away from aggregating funds of plural different depositor groups prior to the depositing of these funds with commercial banks using a control center with which the depositor groups and the commercial banks register. Jacobsen is not directed to handling demand deposit accounts at all. Rather, Jacobsen is directed to timed deposits that cannot be withdrawn on a demand basis. (See paragraph [0072] of Jacobsen. Accordingly, Jacobsen, when combined with Bent fails to disclose, teach, or suggest the claimed aggregation of funds for use as demand deposits. Moreover, it would not have been obvious to a person of ordinary

skill in the art to combine a demand deposit system (Bent) with a timed deposit system (Jacobsen).

Moreover, another difference between Jacobsen and the claimed subject matter is that Jacobsen discloses an algorithm that calculates the differences in maturity and interest rates between unaffiliated banks who set their own rates and solves via a present value solution the exchange of these deposits between these unaffiliated banks – to do this effectively Jacobsen mentions CDs as the primary certified deposit so they can “purchase” dissimilar deposits on an exchange basis. The system in Jacobsen transforms or converts dissimilar deposit products (different maturities and interest rates) and the owner earns a fee for this processing service. Jacobsen discloses an on-balance sheet solution where the bank of origination retains the full deposit amount on its balance sheet. Jacobsen’s solution is classified by the FDIC as an interbank Deposit Placement Service (bank to bank service).

On the other hand, the present subject matter is quite different. The control center functions as a deposit broker and exchanges similar products (no maturity and same interest rates) on a supply vs. demand basis. The operator of the control center, as the deposit broker, sets the rates for both the depositor and the receiving banks and allocates deposits from depositors seeking FDIC insurance, liquidity, and aggregated higher yield who have established accounts with the owner of the control center to banks seeking a lower cost wholesale funding source that are also daily liquid. The present subject matter utilizes a 3<sup>rd</sup> party custodian to move the funds and the operator of the control center earns its fees from the difference in the interest

spread – the difference between the rate of interest the owner of the control center pays the depositors and the rate of interest the owner of the control center charges the receiving banks. The present solution is an off-balance sheet solution where the Bank of Origination losses the deposits from its balance sheet. The present solution is currently classified by the FDIC as a Deposit Broker Service (depositor to bank service).

In summary, a difference between the claimed subject matter and Jacobsen is an Interbank Exchange of Deposits whereas the present subject matter is a Deposit Broker matching supply of deposits with demand for those deposits and earning a higher yield for the depositor as a result of aggregating the deposits and providing a lower cost of funds.

Sheehan likewise fails to disclose, teach, or suggest aggregating funds of plural different depositor groups prior to the depositing of these funds with commercial banks using a control center with which the depositor groups and the commercial banks register. In contrast to being directed to aggregating amounts of funds available for deposit from a plurality of different depositor groups prior to deposit of the funds with the commercial banks, Sheehan is directed to methods for calculating retention rates for core deposits currently deposited with a particular financial institution so that the institution can determine how to value or use those deposits. For example, Sheehan states:

Generally, the longer the maturity of an asset the higher the interest rate paid on it. This creates a performance incentive for financial institution managers to buy longer maturity assets. Funding longer maturity assets with retail deposits presents special challenges, though.

This is because balances in some types of deposits-so called "core deposits" (a/k/a non-maturity deposits) including categories such as NOW (Negotiable Order of Withdrawal), savings, checking and MMDA (money market demand accounts), are eligible to be withdrawn from the institution actually or virtually upon demand. If such deposits are used to buy longer maturity assets, a potentially serious asset and liability maturity mis-match is apparently created.

In fact, however, a substantial fraction of core deposits tend to stay in an institution for a period measured in years rather than in days or weeks. Thus, financial institutions can and do in a probabilistic sense use these deposits to fund purchases of long-term assets. However, such purchases are fraught with uncertainty given the unknown true maturity of the underlying deposits. (See column 1, lines 21-42 of Sheehan.)

In the above quoted passage, Sheehan indicates that there is a risk to a financial institution in using core deposits, which have no maturity, to purchase assets with longer term maturity, because a particular financial institution does not know how long the core deposits will remain in the institution. In order to solve this potential issue, Sheehan discloses statistical methods for estimating how long core deposits might remain in a particular institution (i.e., the retention time) and the sensitivity of core deposits to economic factors, such as interest rate spreads. There is no mention of aggregating, prior to depositing the funds with the commercial banks, funds available for deposit from different depositor groups as demand deposits so that a given bank can obtain core deposits. Rather, Sheehan is directed to a method that helps commercial banks determine how they can use core deposits that they already have.

Accordingly, for these reasons, it is respectfully submitted that the rejection of the claims as unpatentable over Bent and Jacobsen in view of Sheehan should be withdrawn.

#### CONCLUSION

In light of the above amendments and remarks, it is respectfully submitted that the present application is now in condition for allowance, and an early notice to such effect is earnestly solicited.

If any small matter should remain outstanding after the Patent Examiner has had an opportunity to review the above Remarks, the Patent Examiner is respectfully requested to telephone the undersigned patent attorney in order to resolve these matters and avoid the issuance of another Official Action.

#### DEPOSIT ACCOUNT

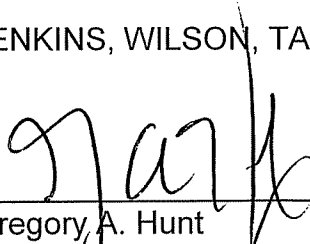
The Commissioner is hereby authorized to charge any fees associated with the filing of this correspondence to Deposit Account No. **50-0426**.

Respectfully submitted,

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Date: September 30, 2010

By: \_\_\_\_\_

  
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